

# NMLS Transition Update

Association of Professional Mortgage Women  
– Dallas Chapter  
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Texas Department of Savings and Mortgage Lending  
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# Filings v Licenses

- What's the difference between a filing and a license?
  - A “license” decision involves two or more filings being received and reviewed. Filings include:
    - New License Request
    - Transition Request
    - Sponsorship Request
    - Sponsorship Removal Request
    - Amendment
- TX SML has processed 37,312 filings since April 2, 2010

# Filings v Licenses—Cont.

- Since April 4, 2010, TX SML has:
  - Approved –
    - 644 Company licenses
    - 1,161 Branch licenses
    - 6,324 Individual Licenses
  - Pending review or approval –
    - 720 Company licenses
    - 156 Branch licenses
    - 5,145 Individual Licenses

# Stumbling Blocks to Approval

- MU1 problems TX SML are encountering during review:
  - TX SOS filing is out-of-date or forfeited
  - Registered agent information on TX SOS doesn't match MU1 information
  - Cannot verify FEIN
  - No qualifying individual identified

# Stumbling Blocks to Approval

- MU4 problems TX SML are encountering during review:
  - No fingerprints taken
  - No sponsorship submitted by company
  - Sponsorship submitted is incorrect – usually location
  - Employment history doesn't reflect sponsorship information
  - Unresolved enforcement or compliance issues, including outstanding administrative penalties owed the state

# Who can originate NOW?

- Mortgage Banker Registrant
  - Approved Status
  - Approved—Deficient Status
- Mortgage Banker RMLO
  - Still in review process but filed MU4 for a Mortgage Banker RMLO license on or before May 31, 2010
  - Approved—Deficient Status
  - Approved—Conditional Status

# Who can originate NOW?

- Mortgage Company / FSA / CUSO / Auxiliary Mortgage Loan Activity / Independent Contractor Loan Processor or Underwriter
  - Approved Status
  - Approved—Deficient Status
- Mortgage Company / FSA / CUSO / Auxiliary Mortgage Loan Activity RMLLO or Independent Contractor Loan Processor or Underwriter Licensee
  - Approved—Deficient Status
  - Approved—Conditional Status

# Credit History Update

- Still expected to be available mid-October 2010
- Probably will be using TransUnion
- Probably will cost \$15
- NMLS will issue an email notification when function is available and will set a SYSTEM deficiency
- TX SML will use NMLS compliance report to clear TX SML set requirements



# Credit History Update—Cont.

- When “authorization” is confirmed by TX SML, status will be changed to fully Approved (if applicable)
- Any issues coming from investigative review for existing licensees will be handled through an enforcement action
- License request received after functionality availability will include credit reviews as part of normal review

# Renewing NMLS License

- Open renewal window is November 1<sup>st</sup> – December 31<sup>st</sup>
- Reinstatement period is between January 1<sup>st</sup> – end of February (includes penalty fee for individuals)
- TX SML will participate in “auto renewal” – 15 day delay from submission to approval
- All requirements and deficiencies must be cleared prior to renewal to ensure a smooth and timely renewal

# Renewing NMLS License—Cont.

- NMLS will issue email notices / reminders of due dates and instructions
- Renewal must be submitted at least 15 days prior to December 31<sup>st</sup> to ensure licensing status continues to display “approved”
- DO NOT DELAY IN SUBMITTING RENEWAL FILING
- Renewals for calendar year 2011 will not require an CE
- Must take 8 hours of CE during calendar year 2011

# Annual Reporting

- TX SML will not place a requirement for an annual report filing for calendar year 2010 activity
- NMLS still working on details for a national mortgage call report
- Mortgage Call reports will be required at the company level not the individual level

# What Happens on January 1<sup>st</sup>

- Any mortgage banker registrant, mortgage banker, loan officer, mortgage broker entity, or exclusive agent still on the “old” system will expire on December 31, 2010.
- Current RMLO Search Page will be taken down
- Website will be cleaned up to remove any reference to the old method of licensing
- Compliance examinations will be performed at the company level except for mortgage banker registrants, which is at the individual level

# Federal Registration

- Final rules issued by federal regulatory agencies
- Copy of rules and summaries available on the NMLS Resource Center home page
- Rules are effective October 1<sup>st</sup>
- NMLS Registration functionality available no earlier than January 28, 2011
- Depository institutions have 180 days to comply once federal regulatory agency notices institutions

# 82<sup>nd</sup> Legislative Session

- Pre-filing starts November 8<sup>th</sup>
- Sessions starts January 11, 2011 and continues for 140 days
- Finance Code Chapters 156 and 157 need a clean up to remove or update information relating to TX SAFE, Finance Code 180
- TX SML will monitor session and filed bills that could impact mortgage loan origination in Texas

# Contact

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